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MS 825

Chief, Management Staff

10 MAY 1956

Chief, Budget Division

Revised T/O, Near East and Africa Division

REFERENCE: Memo for DD/P from Chief, Division of Near East and Africa, dated 5 March 1956 (MS-825)

1. The referenced memorandum submits a revised T/O for the NEA Division for the remainder of FY 1956 and for FY 1957. The revised T/O has been reviewed as to financing requirements and checked with the current personnel ceiling. The following comments are made on those items.

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of the proposed T/O will require an increase of ceiling from within DD/P. If this cannot be granted, the T/O should be reduced to the ceiling to conform with DD/S instructions that T/O's shall equal ceilings.

3. The cost of the revised FY 1956 T/O as compared to the FY 1956 estimate in the FY 1957 Congressional Budget Estimate is shown below:

<u>Positions</u>	<u>A.E.</u>	<u>Amount</u>	<u>Average Salary</u>	<u>Average Grade</u>
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The cost of the revised FY 1957 T/O as compared to the FY 1957 Congressional Budget Estimate is as follows:

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On the basis of the above tabulations it appears that the increased cost of the revised T/O for the last two months of FY 1956, if fully staffed, will approximate [REDACTED]. As there will be some lapse due to delays in filling positions and other vacancies the additional cost may be nominal.

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4. In FY 1957 the proposed T/O will cost [REDACTED] an increase of \$903,880 over the budget estimate. Assuming a lapse rate of 5% the increase will be reduced to \$705,307.

5. A review of the obligations and rate of obligations in relation to funds allotted indicates that sufficient funds are available to finance the revised T/O for the remainder of this fiscal year. In 1957, however, the increased cost will need to be financed from program adjustments within the NEA Division. If the T/O and a ceiling increase are approved, the NEA Division will include the financing requirements in their operating budget for 1957. It should be recognized, however, that the increased personal service cost will reduce the funds available for operational programs and it is recommended that the policy implications of such action be considered.

6. It also should be noted that the average grade of the proposed T/O is GS-10.8 as compared to GS-10.3 in the budget estimates for 1956 and 1957, and that the estimated cost of the revised T/O for FY 1957 is over 20 percent higher than the amount budgeted.

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7. This office has been informed that the Office of Personnel is not planning on reviewing the classification of the jobs which have not been activated. Further, it appears that a substantial number of proposed positions will be filled only if ceiling increases are authorized. For these reasons the above figures may be subject to revision upon determination of adjustments in ceiling, if any.

8. The Comptroller is commenting on the budget and finance positions in the proposed T/O in a separate memorandum to your office.

9. The proposed T/O is returned herewith for your files.

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